

STATEMENT

of

Linda Boone

Executive Director

of the

National Coalition *for* Homeless Veterans

before the

Subcommittee on Health

of the

Committee on Veterans Affairs

United States House of Representatives

The Honorable Jerry Moran

Chairman

June 20, 2001

Washington, DC

Chairman Moran and Committee members:

The National Coalition for Homeless Veterans (NCHV) is committed to assisting the men and women who have served our Nation well to have decent shelter, adequate nutrition, and acute medical care when needed. NCHV is committed to doing all we can to help ensure that the organizations, agencies, and groups who assist veterans with these most fundamental human needs receive the resources adequate to provide these services to perform this task. Our veterans served us faithfully, often heroically. Each of us can do no less than to do our part to ensure that these men and women are treated with dignity and respect.

NCHV believes that there is no generic and separate group of people who are "homeless veterans" as a permanent characteristic. Rather, NCHV takes the position that there are veterans who have problems that have become so acute that a veteran becomes homeless for a time. In a great many cases these problems and difficulties are directly traceable to that individual's experience in military service or his or her return to civilian society.

The specific sequences of events that led to these American veterans being in the state of homelessness are as varied as there are veterans who find themselves in this condition.

It is clear that the present way of organizing the delivery of vitally needed services has failed to assist the veterans who are so overwhelmed by their problems and difficulties that they find themselves homeless for at least part of the year.

The transmutation of the Veterans Health Administration of the United States Department of Veterans Affairs (VA) from a traditional hospital facility-based system into a "services oriented" system that is organized into the 22 "Veterans Integrated Services Networks" (VISNs) has produced significant reductions in services needed by many veterans, particularly homeless veterans.

NCHV recognizes the significant effort that the VA has demonstrated in addressing the needs of homeless veterans in the past few years. We know of many extremely dedicated employees within the VA that go well beyond their normal work day to volunteer in community activities and often provide leadership to expand services to homeless veterans.

The reductions and curtailment of services are perhaps most drastic in mental health and substance abuse disorder programs which concerns NCHV. In the December 1999 report issued by the Interagency Council on the Homeless, found that **76% of homeless veterans have a mental health and/or substance abuse issue**. It is shocking to hear from the VA Advisory Committee on Seriously and Mental Ill Veterans an estimate that over \$600 million has been diverted from mental health programs over the last few years. **An April 2000 GAO (HEHS-00-57) report concluded that between 1996-1998 inpatient services to serious mental ill patients decreased by 19%. Substance abuse disorder inpatient treatment was reportedly decreased by 41% in the same GAO report.** We

agree we this committee's FY2002 budget recommendation report to at least partially restore lost support for these mentally ill and substance abuse disorder veterans who often experience homelessness.

NCHV member organizations have reported that due to the reductions of VA in patient services veterans referred to these community-based organizations from the VA are often sicker and not ready for the "transition" phase in the continuum of care. Patients have to be sent back to the VA or other scarce resources in the community are attempted to be accessed to aid these veterans.

That same GAO report reported that the VA generally believed that that these alternative care settings developed to move patients to an out patient treatment setting were appropriate for special disability populations, although no clear evidence exists to support this position. ***Many communities do not have adequate resources to support this increase in demand that had once been provided by the VA.***

Additionally this GAO report concluded that VA managers are not specifically accountable for special disability programs and that responsibility for maintaining capacity is fragmented among organizational units. NCHV is concerned that the funding Congress intends to have used serving this vulnerable population has been redirected and VA accountability is lacking and veterans are suffering as a result. How many veterans are not receiving assistance? How many get turned away or virtually turned away by not having services available?

If the VA is going to continue to focus only on out patient services where will these homeless veterans live while receiving treatment? Many community based organizations (CBOs) have a strong record of performance in the delivery of services to veterans in the most vital need, and could do a great deal more inpatient care if the resources were available to meet those unmet needs of veterans. CBOs are a vital link in any continuum of care chain, particularly in an era when there is such concern toward finding the most cost effective means possible for meeting the vital needs of veterans in each community, while preserving the highest standards of quality care.

The National Coalition for Homeless Veterans (NCHV) is very supportive of the intent of H.R.936 "Heather French Henry Homeless Veterans Assistance Act" introduced by Ranking Minority Committee member Representative Lane Evans, to provide for a wide range of services to homeless veterans and to begin focus on issues of prevention.

Within this bill NCHV has several priority items that we feel will lead us closer to the elimination of homelessness among veterans.

CHALLENG DATA

First start with the data. Congress recognized the need for the VA to play a leadership role within communities they serve by passing legislation (PL102-405) requiring the VA to assess and coordinate the needs of homeless veterans living within the area served by the medical center or regional office. Since that legislation passed the VA has made

progress towards implementing community meetings, *Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) for Veterans*, in approximately 90% of their locations. There are many local CHALENG processes that are meeting the full intent of the law passed by Congress and are providing valuable coordination of services to homeless veterans. However, not all medical centers have implemented this law or have minimally met the intent by surveying providers without a controlled assessment process.

NCHV is surprised that in the *Fifth Annual Progress Report*, published August 29, 1999 for the 1998 fiscal year, childcare came as the number two item of the unmet needs for homeless veterans. NCHV members are concerned that this conflicting data with their front line experience with homeless veterans distorts the entire validity of the CHALENG process and will misdirect the VA in their resource allocation for services to homeless veterans.

NCHV wants Congress to impress upon the VA the critical need for the VA to take a tangible leadership role to assess and coordinate services in communities for homeless veterans in a consistent and complete manner throughout the VA.

The Urban Institute produced a report for the Interagency Council On the Homeless, for the survey that was conducted in 1996 titled "Homelessness: Programs and the People They Serve" released in December 1999 that has become the report that is used as the baseline in demographic data for homelessness in America. That report found **23% of all homeless individuals are veterans**.

In February 2001 the Urban Institute released census information on the homeless population that was done in conjunction with the 1996 survey. Their conclusion is that at least 2.3 million people, or nearly 1% of US population are likely to experience homelessness at least once during a year. This would equate **veterans experiencing homelessness to be 529,000 during a year**.

Further they found that there is a high seasonal variation in homelessness, with 842,000 individuals (193,660 veterans) being homeless during an average February week and in October 444,000 (102,120 veterans) individuals.

This conflicts with the CHALENG data that we find suspect based on the inconsistent process of data gathering and reporting.

HOUSING

Approximately 5000 transitional housing beds will be available funded through the Homeless Providers Grant and Per Diem program for veterans of which 2,076 are currently activated. The need for increased funding for beds through this program has never diminished since its inception. There is an un-addressed need for housing that is safe, clean, sober and has responsible staff to ensure that it stays that way, and that supportive services are regularly provided as to be sufficient to help veterans fully recover as much independence and autonomy as possible.

The Homeless Providers Grant and Per Diem Program currently is assigned funding internally within the VA at approximately \$35 million. The “grant” piece provides funding for the “bricks and mortar” for new programs and the “per diem” piece provides for a daily payment of up to 50% for a maximum of \$19 per day to provide services to the veterans housed under the “grant” piece. The grantees are required to obtain matching funds to complete the 50% not funded through the VA.

NCHV supports a new flat fee formula based on the state home domiciliary rate because it is a good comparison model for types of services provided and compensation for those services. In addition we recommend removing the match requirement that would lighten the paperwork burden on the grantees and the VA. The current match requirement does not allow for in kind services to count towards the match, only hard dollars are allowed which can often create unnecessary hurdles for CBOs. Additionally we recommend a permanent authorization to allow existing programs to have access to the “per diem” piece to allow for program expansion that does not require “bricks and mortar”.

NCHV believes the Homeless Providers Grant & Per Diem should be at ***\$120 million funding level and a budget line item.*** The current level of funded beds is 5000 for an investment of about \$35 million. If funding stays at the \$35 million level there would be a need to cut 1000 beds when the new per diem increase became effective.

\$43 million needed to remain at same 5000 bed level with increased per diem rate

\$50 million would add 813 beds with increased per diem rate to total 5813 beds

\$100 million would add approximately 6600 beds with increased per diem rate to total 11,628 beds

\$120 million would add approximately 9000 beds with increased per diem rate to total 13,953 beds

The demand for this grant program far exceeds its current funding level. Every year programs get turned down usually because of lack of funding.

Grant applications rejected:

2000-64

1999-42

1998-67

1997-62

1996-57

1995-67

1994-67

NCHV also feels there needs to be a future vision of how to turn these transitional beds into a mix of transitional and long term permanent supported housing. The current grant program has employment as an expected outcome for all veterans transitioning through

the program. However many veteran are not able to work or live without continued supportive services on a daily basis. Some of these veterans need alternatives to independent living and the CBO system has the experience and programs in place that could support the future needs of these veterans.

NCHV is concerned that there is a tendency to provide the authority to the VA to create housing programs and other competitive services that CBOs are currently providing. We believe that the VA should provide the medical services and the CBOs can provide the other supportive services within the continuum of care for homeless veterans.

EMPLOYMENT

Work is the key to helping homeless veterans rejoin American society. As important as quality clinical care, other supportive services, and transitional housing may be, the fact remains that helping veterans get and keep a job can be the most essential element in their recovery and reintegration for those that work is a realistic outcome.

The Homeless Veteran Reintegration Program (HVRP) managed through the US Department of Labor, Veterans Employment and Training Service is virtually the only program that focuses on employment of veterans who are homeless. Since other resources that should be available to our member organizations to fund activities that result in gainful employment are not generally available, HVRP takes on an importance far beyond the very small dollar amounts involved.

The Homeless Veteran Reintegration Program is a job placement program begun in 1989 to provide grants to community-based organizations that employ flexible and innovative approaches to assist homeless, unemployed veterans reenter the workforce. Local programs offer employment and job-readiness services to place these veterans directly into paying jobs. HVRP provides the key element often missing from most homeless programming.....job placement.

Through HVRP funds veterans gain access to civilian assistance, ex-military benefits and entitlements, education and training opportunities, legal assistance, whatever is needed to begin the rebuilding process towards employment.

HVRP programs work with veterans who have special needs and are shunned by other programs and services, veterans who have hit the very bottom, including those with long histories of substance abuse, severe PTSD, serious social problems, those who have legal issues, and those who are HIV positive. These veterans require more time consuming, specialized, intensive assessment, referrals, and counseling than is possible in other programs that work with other veterans seeking employment.

This program has suffered since its inception because it is small and an easy target for elimination or reduced appropriations. Even DOL rarely asks for the full appropriation for HVRP in the budget they submit to OMB. Our coalition has spent the majority of its advocacy efforts in the past five years in keeping this program alive because it has been so vital in ending homelessness among veterans.

HVRP is an extraordinarily cost efficient program, with a cost per placement of about \$1,500 per veteran entering employment. Based on years of experience of our member organizations NCHV strongly believes that helping homeless veterans to get and keep a job is the key to reducing homelessness among veterans. NCHV recommends an investment of **\$50 million** per year in HVRP to assist veterans in becoming self-sustaining and responsible tax paying citizens.

\$50 million is only \$100 for each of the over 500,000 veterans that is estimated are homeless at some point during the year.

TECHNICAL ASSISTANCE

It is very clear that it takes a network of partnerships to be able to provide a full range of services to homeless veterans. No one entity can provide this complex set of requirements without developing relationships with others in the community.

Community-based nonprofit organizations are most often the coordinator of services because they house the veterans during their transition. These community-based organizations ***must orchestrate a complex set of funding and service delivery streams with multiple agencies*** in which each one plays a key critical role.

There are a wide variety of Federal, state and private funds that veteran service providers are eligible for in the course of serving homeless veterans. The challenge is in accessing them. Many veteran specific providers lose several years before being able to position themselves to successfully compete and receive ANY federal, state or local agency funds.

The current prevailing public policy of devolution increases likelihood that Federal dollars are ultimately allocated through a ranking process subject to local viewpoints. At the local level the ***common perception is that veterans are taken care of by the VA.*** Some are, yet most are not. These perceptions can be a barrier to homeless veterans service providers' access to funds. It is a reality that must be reckoned with in order to compete successfully.

When a local group is forced into priority recommendations that choose between needy men, women, and/or their children, it is a challenge to argue for displacing the funding for women and children in favor of a man (who's a veteran the "VA is taking care of" anyway!). Sometimes a homeless veteran has his family still together, and obviously some homeless veterans are women, but these conditions are the exceptions.

Consistently at around \$1 billion annually, the biggest piece of funding currently on the table is available from targeted HUD funds through the Super NOFA for Supportive Housing Programs (SHP). Historically only 3% of these grants are awarded to veteran specific programs. Three percent, when a quarter of the homeless are veterans. Any other help HUD grants give to veterans is purely by chance, and we have no information on whether the rest of the money reaches veterans.

The distribution system for these McKinney Act funds follow a devolution policy that organizes priorities for allocation of formula share dollars at a local level within a continuum of care. The Continuum of Care prescribes a planning process built on a community-by-community model. Within each community, a planning process takes place in which advocates and service providers describe the problem, access the current resources available, and decide what needs to be done using the “targeted” McKinney programs, which total \$1.2 billion annually. Overall federal funding to assist the poor is about \$215 billion annually and is not synchronized with targeted homeless assistance funds. So, these funds need to be accessed differently.

Until such time as a homeless veteran provider is able to convince the organizations that make up the local continuum of care that it is in THEIR best interest to juggle their dollars in a way to allow a veteran provider to the table, a veteran specific program typically gets ranked out of the money (if it even got ranked in the continuum at all). Veteran service providers report it takes several years of analysis, networking, program/funding design, and negotiations to be able to show that giving a high priority to a relatively small piece of HUD Supportive Housing Programs dollars for a veteran provider is in the community's best interest. A veteran provider can access support service money and a clinical care system (the Department of Veterans Affairs) available for veterans only. This leverages resources that can off-load the community care system of the veterans currently occupying beds and free up capacity that then becomes available for women, children and other special needs population. At one level, this is the market economy operating at its best...but it is complicated, to say the least.

The veteran community-based organization system faces a capacity gap around managing this complexity in order to respond successfully to the distribution system for accessing funds and then if awarded the resources to pay for management and financial reporting systems to properly service those funds.

The point here is to underscore the complexities involved in successfully responding to the streams of funding available and necessary to combine together adequate budgets in a sufficiently broad geographic area to put on a reasonable array of services for homeless veterans. ***Most community-based organizations throughout the country struggle to respond to this system of distribution of federal funds.***

Some Solutions

In 1990, seven homeless veteran service providers established the National Coalition for Homeless Veterans (NCHV) to educate America's people about the extraordinarily high percentage of veterans among the homeless. These seven providers are considered to be true original warriors for the cause. All former military men, they were concerned that people did not understand the unique reasons why veterans become homeless and the fact that these men and women who defended America's freedom were being dramatically under-served in a time of personal crisis. In the years since its founding, NCHV's membership has grown to 245 in 43 states and the District of Columbia.

I urge this committee to consider finding ways to get *capacity building services* into the hands of the community-based care provider group attempting to serve veterans. It is squarely within the mission of NCHV to help formulate this capacity. While NCHV has been doing this, it's been done in a limited way without the benefit of any federal funds. I ask you to consider authorizing an allocation \$750,000 FY 2002 and each year thereafter through FY2007 to the National Coalition for Homeless Veterans to build capacity of the veteran service provider network. The goal would be to significantly increase access to the federal, state and private funding streams and to enhance the efficiency of utilization for those currently accessing these streams.

NCHV looks forward to working with this committee and the staff on solutions that will lead to the end of homelessness among veterans.

Mr. Chairman, thank you for this opportunity.

CURRICULUM VITAE

Linda Boone, Executive Director, National Coalition *for* Homeless Veterans took over the management of this national advocacy organization in April 1996. Linda's activities on veteran issues started in 1969 as a volunteer in her local community. Her advocacy for homeless veterans began in 1990 after meeting veterans living under a boardwalk near her home.

Prior to becoming executive director for NCHV Boone spent over 20 years in materials management positions at high tech manufacturing companies and as a consultant to companies and organizations for competitive management practices.

The National Coalition for Homeless Veterans was founded in 1990 by a group of veteran service providers when they became frustrated with the growing numbers of homeless veterans that were coming into their facilities and the lack of resources to adequately provide services.

The mission of NCHV is to end homeless among veterans by shaping public policy, educating the public, and building the capacity of service providers.

FEDERAL GRANT OR CONTRACT DISCLOSURE

The National Coalition for Homeless Veterans received a \$60,000 grant from the US Department of Labor in FY2000 to provide incentive grants to NCHV members for employment programs serving homeless veterans.

An appropriation from Congress was provided to NCHV in the FY2001 budget for \$400,000 to provide technical assistance for service providers. The actual receipt of funds has not started as of this date.